THE JUNCTION CO

Income+Expenditure Statement

The Junction Co.

For the year ended 30 June 2021

Cash Basis

	2021	2020
Income		
Self Generated Revenue		
Sales	183,747	95,859
Total Self Generated Revenue	**183,747**	**95,859**
Regional Arts Funding	-	35,000
Grant TOPH	500,000	548,526
Donations		
Country Arts Funding	28,101	3,955
Jury Art Prize Funding	38,390	-
C-Res Funding	-	23,867
BHP Funding	121,558	40,000
Other Revenue	1,162	18,455
Other Revenue - Programs	47,501	-
Other Revenue - Donations	28,636	-
Other Revenue - Events	13,018	-
Other Revenue - Grants	23,386	-
TOPH COVID-19 Grant	1,000	-
Sales - Market Stalls	300	-
Hedland Youth Art Prize	720	-
Total Donations	**303,772**	**86,276**
Other Income		
Interest Income	221	156
Realised Currency Gains	44	463
Total Other Income	**264**	**619**
Total Income	**987,784**	**766,281**
Cost of Sales		
Contractors and External Consultants	119,777	43,919
Exhibition Direct Costs	95,443	56,485
Membership Direct Costs	636	12
Other Direct Costs	26,989	12,604
Retail Direct Costs	28,729	18,392
Workshop Direct Costs	37,798	32,152
Vend Discount Account	2,659	40
Total Cost of Sales	**312,032**	**163,603**
Gross Surplus	**675,752**	**602,677**
Expenditure		
Total Expenditure	**707,576**	**498,567**
Current Year Surplus/ (Deficit) Before Adjustments	**(31,559)**	**104,730**
Other		
Government COVID Relief		
ATO Cash Flow Boost	48,762	18,720
Total Government COVID Relief	**48,762**	**18,720**
Total Other	**48,762**	**18,720**
Net Current Year Surplus After Adjustments	**17,203**	**123,450**

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Auditor's Opinion

In my opinion, in all material respects the financial position of the The Junction Co. as at 30th June 2021 and of its financial performance for the year ended on that date complies with the accounting policies described in Note 1 to the accounts.

Signed at Roleystone this 16th day of November 2021.

Ray McManus MIPA AFA

ARALUEN ACCOUNTANCY
57 Ridgehill Rise
Roleystone WA 6111

Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act WA. The committee has determined that the association is not a reporting entity.

The financial statements have been prepared on a cash basis and are based on historic costs and do not take into account changing money values or, except where stated specifically, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of these financial statements.

Income Tax

The Junction Co is Income Tax Exempt.

Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

As the business qualifies as a small business for GST reporting, the method of expensed leasehold costs is reflected in the profit & loss and balance sheet. This aligns with the life of the initial funding contract only being TWO Years.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

Leasehold improvements are amortized over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Impairment of Assets

At the end of each reporting period, the committee reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expenditure statement.

Employee Provisions

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled.

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result, of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

If conditions are attached to the grant that must be satisfied before the association is eligible to receive the contribution, recognition of the grant as revenue will be deferred until those conditions are satisfied.

All revenue is stated net of the amount of goods and services tax.

Leases

Leases of PPE, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for that period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GSTreceivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the assets and liabilities statement.

Financial Assets

Investments in financial assets are initially recognised at cost, which includes transaction costs, and are subsequently measured at fair value, which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.